



TennCare Operational Protocol

Chapter 1: Overview

<div>Section 1.1</div> <div>Explanation of TennCare as a Medicaid “Demonstration” Project</div>

TennCare is a Medicaid “demonstration” project.

“Medicaid,” first of all, is a program jointly funded by the state and federal government to provide certain defined benefits to persons meeting certain Medicaid eligibility criteria. Every state has a Medicaid program. The federal agency with responsibility for overseeing the Medicaid program is the Centers for Medicare and Medicaid Services (CMS), located in the U. S. Department of Health and Human Services.

Medicaid is not the same as *Medicare*. Medicare is a federal program for persons who are aged 65 and older, as well as certain younger people who meet specified criteria. The state has no oversight over the Medicare program. Medicare and Medicaid are different programs, although it is possible for people to be eligible for both programs. A person who is eligible for both Medicare and Medicaid is called a “dual eligible.”

TennCare is basically a Medicaid program, designed to provide Medicaid benefits to Medicaid eligible enrollees. It is different from other state Medicaid programs, however, in that it operates under certain “waivers” of federal regulations to “demonstrate” a specific health care premise—namely, that a state can generate sufficient savings through use of a managed care program to be able to extend coverage to people who are not otherwise Medicaid eligible without spending more money than the state would have spent under its Medicaid program. There are other states that offer Medicaid demonstration programs, but each demonstration is unique.

TennCare is called an “1115” waiver because it is authorized under Section 1115 of the Social Security Act. There are other waivers authorized under the Social Security Act—most importantly, Home and Community Based Services (HCBS) waivers operated under Section 1915. However, the 1115 waiver is the only waiver that a state can use to extend eligibility to persons who would not otherwise be Medicaid eligible.

The TennCare II extension was approved on October 5, 2007. It is a three-year Section 1115(a) waiver and it extends TennCare II, a five-year Section 1115(a) waiver that began on July 1, 2002. TennCare I, the original TennCare waiver, started on January 1, 1994.

<div>Section 1.2</div> <div>Purpose of the Operational Protocol</div>

The Operational Protocol is intended to provide a brief overview of the TennCare program and a quick reference to various materials, such as TennCare benefits, eligibility categories, etc. It is not an exhaustive compilation of materials, nor is it a legal document.

It is important to recognize that there are a number of legal documents that govern the TennCare program. These include:

- TennCare approval materials, specifically the Special Terms and Conditions, the Expenditure Authorities, and the Waiver List. These materials may be viewed at the following site:
<http://www.cms.hhs.gov/MedicaidStWaivProgDemoPGI/MWDL/itemdetail.asp?filterType=none&filterByDID=-99&sortByDID=2&sortOrder=ascending&itemID=CMS028494&intNumPerPage=10#>
- The Tennessee Medicaid State plan, which is a document required of every state operating a Medicaid program. This document may be viewed at the following site: <http://www.state.tn.us/tenncare/pol-stateplan.html>
- TennCare rules, which are filed with the Secretary of State's office. The TennCare rules, for both TennCare Medicaid and TennCare Standard, may be viewed at the following site: for TennCare Medicaid: <http://tennessee.gov/sos/rules/1200/1200-13/1200-13.htm>; for TennCare Standard, go to: <http://www.tennessee.gov/sos/rules/1200/1200-13/1200-13-14.pdf>
- Court cases affecting TennCare. These may be viewed at the following site: <http://www.state.tn.us/tenncare/legal.html>
- TennCare policies, which are prepared by the Bureau of TennCare and posted on the TennCare website. These may be viewed at the following site: <http://www.state.tn.us/tenncare/pol-policies.html>

The TennCare website, <http://www.state.tn.us/tenncare>, contains a wealth of information about the TennCare program.

The above cites will be repeated throughout this Operational Protocol to assist the reader in finding additional resources.

<p style="text-align: center;">Section 1.3</p> <p>Organizational and Structural Configuration of the Demonstration</p>

The TennCare Demonstration is administered by the Bureau of TennCare, which is a division of the Tennessee Department of Finance and Administration. The Department of Finance and Administration oversees all state spending, and the Commissioner of the Department serves as Chief Financial Officer to the Governor.

The Bureau of TennCare is headed by a Deputy Commissioner. Divisions within the Bureau include:

- Office of the Chief Medical Officer
- Operations
- Member Services
- Network Operations

- Financial Operations
- Information Systems
- Policy
- Office of General Counsel
- Long-Term Care¹
- Public Affairs
- Internal Audit
- Non-discrimination Compliance and Health Care Disparities

An abbreviated organizational chart for the Bureau of TennCare can be found in Attachment A.

Special Term and Condition (STC) #15 states that TennCare will assure the adequacy of its infrastructure to implement and monitor the Demonstration.

Other state departments administer portions of the TennCare Demonstration, under the direction of the Single State Agency (the Department of Finance and Administration). These state departments, together with the specific TennCare functions that they carry out, are shown in Table 1-1.

Table 1- 1
State Agencies Involved in the TennCare Demonstration

Agency	Functions
Office of the Comptroller	<ul style="list-style-type: none"> • Performance of TennCare audits • Performance of Managed Care Organization (MCO) and Behavioral Health Organization (BHO) audits • Performance of quarterly audits of the implementation of the <i>Grier</i> Consent Decree • Establishment of Nursing Facility and rates for Intermediate Care Facilities for persons with Mental Retardation (ICF/MR)
Department of Children's Services	<ul style="list-style-type: none"> • Determination of Medicaid eligibility for children coming into state custody • Provision of residential treatment services for TennCare-eligible children in state custody • EPSDT outreach
Department of Commerce and Insurance	<ul style="list-style-type: none"> • Licensure and financial oversight of Health Maintenance Organizations/Managed Care Organizations (HMOs/MCOs), Prepaid Limited Health Service Organizations/Behavioral Health Organizations (PLHSOs/ BHOs) and Third Party Administrators/Dental Benefit Managers (TPA/DBMs) • Administration of the TennCare Claims Processing

¹ The Long-Term Care Division oversees the nursing facility programs and the Home and Community Based Services waivers. While these programs are outside the TennCare waiver, persons enrolled in these programs are also enrolled in TennCare.

Agency	Functions
	<p>Panel and Independent Review Process for review of denied claims submitted by providers</p> <ul style="list-style-type: none"> • Establishment and enforcement of uniform claim form instruction standards • Administration of annual MCO/BHO network adequacy study required by T.C.A. 56-32-231 • Operational oversight of HMOs, PLHSOs/BHOs and TPA/DBMs, including: monitoring financial solvency, review and approval of holding company systems activities and transactions; monitoring timeliness and accuracy of claims processing and payment of provider claims; subcontract and provider agreement review and approval; review of evidence of coverage, including member handbooks and provider manuals; and state law and CRA compliance of HMO, PLHSO/BHO, TPA operational subcontractors
Department of Education	<ul style="list-style-type: none"> • EPSDT outreach
Department of Health	<ul style="list-style-type: none"> • EPSDT outreach • EPSDT screenings • Provision of dental screenings and services to children • Presumptive eligibility determinations for pregnant women • Presumptive eligibility determinations for uninsured women needing treatment for breast and/or cervical cancer • Enrollee education and advocacy
Department of Human Services	<ul style="list-style-type: none"> • TennCare eligibility determinations • Provision of education and assistance regarding the TennCare eligibility process • Family assistance information line • Appeals of eligibility-related issues • EPSDT outreach
Department of Mental Health and Developmental Disabilities	<ul style="list-style-type: none"> • Consultation on the behavioral health component of the TennCare demonstration
Division of Mental Retardation Services	<ul style="list-style-type: none"> • EPSDT outreach • Administrative Lead Agency for the Mental Retardation HCBS Waivers
Governor's Office of Children's Care Coordination	<ul style="list-style-type: none"> • Coordinates EPSDT activities among state departments • Has a focus on infant mortality, substance abuse, and preventive care to improve health outcomes

A number of contractors are involved in delivering TennCare services. These contractors include all of the managed care entities (MCOs, BHOs, DBM, and PBM) plus others shown in Table 1-2.

Table 1- 2
Major TennCare Administrative Contractors

Contractor	Major Functions
EDS <i>Note: ACS will assume full responsibility for this contract on January 1, 2009.</i>	<ul style="list-style-type: none"> • Claims processing for long-term care • Claims processing for Medicare crossover payments • Maintenance of eligibility subsystem • Maintenance of encounter data • Ad hoc and regular reports
KePRO	<ul style="list-style-type: none"> • Review of medical appeals • Assistance with medical policy
Aon	<ul style="list-style-type: none"> • Actuarial studies
Volunteer State Health Plan	<ul style="list-style-type: none"> • Administers TennCare Select contract
QSource (EQRO)	<ul style="list-style-type: none"> • Quality reviews of MCOs and BHOs • Special studies